



Department of Justice

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FOR IMMEDIATE RELEASE
TUESDAY, AUGUST 7, 2007
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HANCOCK COUNTY MAN PLEADS GUILTY TO HURRICANE KATRINA FRAUD

Gulfport, Mississippi - **Joseph L. Pugh**, of Diamondhead, Mississippi, pled guilty on August, 6 2007 to stealing FEMA funds and making false statements to the Mississippi Development Authority and to the Small Business Administration for Hurricane Katrina disaster assistance funds, U.S. Attorney Dunn Lampton announced today.

Pugh was indicted for receiving \$9,892.47 from FEMA, attempting to obtain \$150,000.00 in grant money from the Mississippi Development Authority, and attempting to obtain a \$53,000.00 disaster relief loan from the Small Business Administration. In each of his applications, Pugh listed his business address as his primary residential address. Pugh faces up to 15 years in prison and up to \$750,000.00 in fines.

In September, 2005, Attorney General Alberto R. Gonzales created the national Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force - chaired by Assistant Attorney General for the Criminal Division, Alice S. Fisher, includes members from the FBI, the Federal Trade Commission, the Department of Labor Office of Inspector General, the Postal Inspector's Office and the Executive Office of United States Attorneys, among others.

Pursuant to the Justice Department initiative, a local Katrina Fraud Task Force, consisting of over 20 Federal and State law enforcement agencies, was formed in the Southern District of Mississippi to pursue and prosecute individuals who engage in fraud associated with the hurricanes.

If anyone has information concerning possible fraud being committed during the post-Katrina recovery effort, please call either the DHS-OIG Fraud Hotline at 1-866-720-5721 or the FBI Fraud Hotline at 1-800-225-5324.

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